REPORT OF OSCE PARLIAMENTARY ASSEMBLY TREASURER JOHAN BÜSER TO THE STANDING COMMITTEE

4 JULY 2026
THE HAGUE

Contents

Report of the Treasurer

The Hague, Netherlands

4 July 2026

1. Introduction

Since the Annual Session in Porto, the OSCE Parliamentary Assembly has continued to demonstrate its flexibility, visibility and relevance through a broad range of activities across all dimensions of the OSCE's work. Parliamentary engagement remains strong, particularly in election observation, statutory meetings, the work of Special Representatives, field visits and thematic initiatives advanced by the Assembly's political leadership.

As Treasurer of OSCE PA, it is my responsibility to translate the Assembly's political ambitions into a sustainable budgetary framework. It is no secret that developments in recent years have been challenging in this regard. I am therefore highly appreciative of the strong engagement within the Assembly on financial matters. With your guidance, we are working collectively on safeguarding the Assembly's finances and ensuring that the OSCE PA maintains a sound and stable financial foundation.

As the OSCE PA convenes for the Annual Session of 2026 in the Hague, the Standing Committee will consider the budget proposal for the 2026-2027 Financial Year. In this report, I will present the budget proposal in greater detail. The report will also provide a broader context for the Assembly's financial position and outline how this has shaped the formulation of the budget proposal.

The budget proposal, which is annexed to the report, represents a balanced approach to the challenges facing OSCE PA. While it makes necessary investments in the key areas, such as election observation and statutory activities, it also ensures that expenditure does not exceed foreseeable income.

2. The Assembly's current financial position

As we meet for the Annual Session, the Standing Committee is considering the budget proposal for the 2026-27 financial year. In this light, I wish to share some more information on the financial standing of the OSCE PA.

2.1 Diminishing financial reserves: As I have noted in my previous reports to the Assembly, the reserves have gradually diminished during the last couple of years due to a continued financial deficit. Taken together, approximately EUR 1,300,000 have been taken out of the reserves over the last five years. In real terms, this means that the total amount of the reserves has declined by half, diminishing from EUR 2,731,000 to EUR 1,394,000.

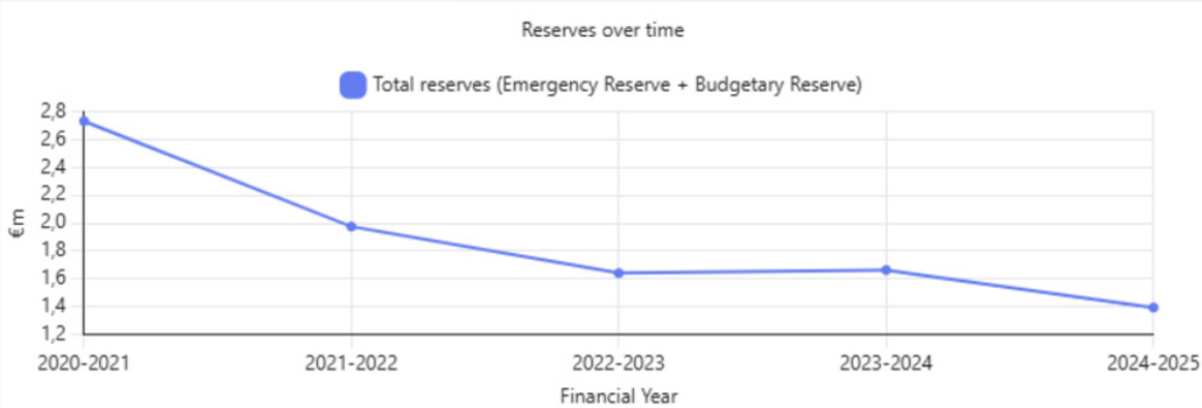

Table 1. Reserves (Emergency reserve and Budgetary Reserve) in EUR millions.

2.2 Continued financial deficit: The negative development of the financial reserves is caused by the recurring deficit over several years. Between the years 2022–2026, the Russian Federation has not made its contributions to the Assembly, resulting in a shortfall of funds estimated to EUR 1.023.000 over the period. In the absence of measures to address the outstanding contribution, deficits have arisen which have been covered by funds from the reserves.

The expenditures have been higher than the available income during the 2021–2022 financial year (EUR 756,000), 2022–23 (EUR 334,000) and 2024–2025 (EUR 269,000). In 2023–24, there was a surplus of EUR 20,000.

The withdrawal from the reserves during the 2021-22 financial year was particularly substantial due to a political decision to postpone activities during the COVID-19 pandemic, thereby transferring funds to the following year's budget in order to reduce national delegations' contributions. This explains a withdrawal of approximately EUR 401,000 during the 2021/2022 Financial Year. In addition, approximately EUR 355,000 was drawn from the reserves to correct misstatements related to holiday accruals within the Secretariat.

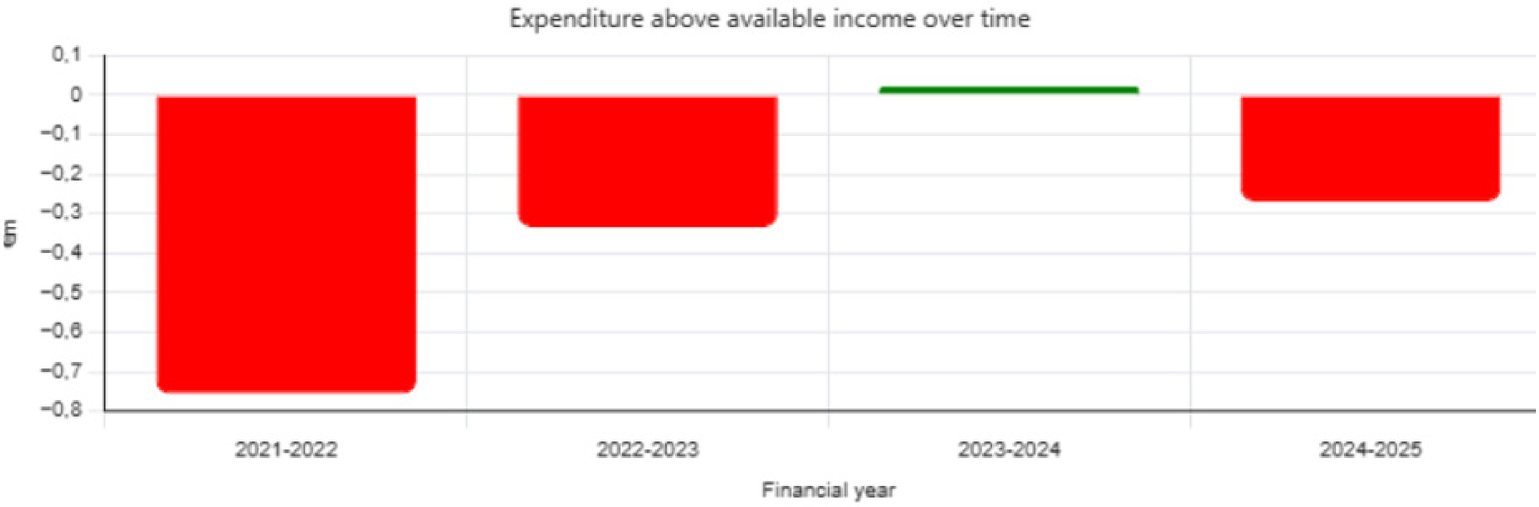

Table 2. Expenditure above available income over time in EUR millions.

2.3 Auditors' comment about the reserves: In the latest report, the auditor assesses the risks associated with a decreasing reserve. It is noted that: "…if the non-payment [of the Russian Federation] persists without corrective measures, the reserves will continue to diminish, potentially dropping below the critical threshold by 2027-2028. This situation poses increased operational liquidity risks and may impact the Organisation's ability to finance statutory activities and missions."[1]

3. Measures to address the financial challenges

In light of the above, I have held extensive discussions with Secretary General Roberto Montella on how best to address the situation and prevent the Assembly from reaching the critical threshold identified by the auditor, at which point the statutory activities could be negatively affected by the continued financial deficit.

On 27 May, I was pleased to welcome Secretary General Montella, together with Deputy Secretary General Gustavo Pallares and Finance Officer Stephen Paul to Stockholm for a meeting on the budget. The Secretary General and I agreed on guiding principles for the management of the budget, including that:

1 Audit reporting on the annual report 2024/2025, OSCE Parliamentary Assembly, p. 3.

- No further funds will be taken from the Emergency Reserves during the current and upcoming financial years, unless there is an explicit decision from the political leadership to do so.

- The Secretary General will develop and present an action plan to the Standing Committee, which outlines measures to restore the reserves.

- In the event that the proposed budget does not get accepted by the Standing Committee, a zero nominal growth budget which ensures that expenses are aligned with the expected level of income from member states will be set in action.

4. Budget Proposal for the 2026–2027 Financial Year

In accordance with Rule 41 of the OSCE PA Rules of Procedure, the proposed budget for the 35th Financial Year has been distributed to the Standing Committee for consideration and adoption during the Annual Session in The Hague. The proposed budget for 2026–2027 reflects a nominal increase of 4.49 per cent over the current financial year, bringing the proposed total budget to EUR 4,569,546. This represents an increase of EUR 196,546 over the approved 2025–2026 budget of EUR 4,373,000.

In light of the auditor's comment of caution on the potential risks associated with the diminishing reserves and the financial deficit, this budget proposal has been developed differently from previous proposals. In the proposal, expenditures have been adjusted to the foreseeable level of income from member states. This is a necessary measure to ensure that further deficits are avoided, and that no additional funds are drawn from the reserves.

In the budget proposal, this is reflected in the table with "Total OSCE PA Effective Budget". In this context, effective budget implies the funds that are available to the Assembly after considering the expected non-payment from the Russian Federation.

TOTAL OSCE PA EFFECTIVE BUDGET	*€4,295,373*		
TOTAL OSCE PA 2026 / 2027 Budget Proposal 4.49%	**€4,569,546**	**4.49%**	€4,373,000
Approved 2025–2026 Budget Baseline	€4,373,000		
Proposed 2026-2027 Budget	**€4,569,546**		
EUR amount increase	€196,546		
Expected Unpaid Russian Federation Contribution -6%	€274,173		
Expected assessed income	€4,295,373		

Table 3. Calculation of expected income in the budget proposal 2026–2027.

The budget proposal for the 2026–2027 Financial Year also includes an increase in funding for election observation and statutory meetings. The budget for election observations has been increased with EUR 64,000 (23 per cent), while the costs associated with the Annual session foresee an increase with EUR 18,000 (7 per cent) and for the Winter meeting EUR 48,000 (90 per cent).

Taken together, it should be noted that the budget proposal for the 2026-2027 Financial Year represents a balanced response to the challenges facing our organization – which safeguards the financial stability by aligning expenses with foreseeable income while also investing in the most needed areas of our activities.

5. Transparency, openness and accountability

During the Bureau meeting in Copenhagen in April, the members had a thorough discussion on how transparency and governance may be strengthened within the Assembly and its finances. I am pleased to work closely together with the Secretary General on these matters, with the aim of ensuring that the Assembly operates with modern and transparent working methods.

One of the issues discussed during the Bureau meeting was the possibility for the Treasurer to exercise oversight of the financial situation in the Assembly. Following these discussions, I have requested information from the International Secretariat, which has been provided. The Secretary General have also agreed to have regular budget follow-up meetings with the Treasurer.

The issue of openness and accountability was also discussed at a meeting with members of the Sub-Committee on Rules of Procedure and representatives of the largest contributing participating States. The aim of this initiative is to explore ways to strengthen the Rules of Procedure and Financial Regulations to enhance financial transparency, as well as to ensure that current practices are adequately reflected in the rules.

I welcome initiatives by Assembly members to advance discussions and proposals on transparency and openness, as well as the continued progress in this area. My door remains open to further suggestions from members on measures that could be taken.

6. Implementation of the 2025–2026 Budget and Status of Contributions

The budget for the 2025–2026 Financial Year was approved at the Annual Session in Porto and entered into force on 1 October 2025. It reflected zero nominal growth, maintaining the approved budget at the same level as the previous financial year.

The Assembly has received approximately EUR 4,130,783 in payments for the 2025–2026 Financial Year, representing approximately 94 per cent of the approved budget of EUR 4,373,000. The remaining shortfall of EUR 262,380 is attributable to the continued non-payment by the Russian Federation.

7. Financial Situation in the OSCE

The Assembly's work takes place within the broader OSCE framework, which remains under significant financial and political strain. The adoption of the OSCE Unified Budget for 2026 is a positive and important development, as it ended the period since 2021 during which the OSCE operated without an adopted annual Unified Budget. However, the adoption of a budget should not be understood as a return to normal financial conditions.

The 2026 OSCE Unified Budget was adopted following extensive negotiations and reflects a significantly reduced financial envelope compared with the last approved Unified Budget in 2021. The approximate financial ceiling was EUR 123.1m, representing a reduction of approximately EUR 15.1m, or 10.9 per cent, compared with the 2021 approved budget. The operational capacity of executive structures is expected to be impacted by the reduction, necessitating operational adjustments which have already begun.

The financial situation of the OSCE will also create spillover effects for the OSCE PA. The OSCE's decision to vacate the second floor of the Hofburg changes the operating environment in which the Winter Meeting has traditionally been organized. Maintaining the meeting in its established format is expected to require additional resources for venue arrangements, technical support, meeting servicing and interpretation. As previously noted, the proposed 2026–2027 budget therefore includes an increase of EUR 48,000 (90 per cent) for the Winter Meeting.

8. Proposed Rule Change on Minimum National Contributions

The question of minimum national contributions has been discussed in parallel with the budget process. Following consultations with delegations, it is clear that the proposal requires further discussion and will not be submitted for decision at the Standing Committee in The Hague.

In the meantime, voluntary and extra-budgetary contributions remain an important and practical way for delegations to support the Assembly's core work. The Treasurer encourages delegations that are in a position to do so to consider additional contributions, whether unrestricted or earmarked for specific activities, including statutory meetings, regional engagement and thematic initiatives.

9. Extra-Budgetary, Voluntary and In-Kind Support

The Treasurer wishes to express sincere appreciation to all participating States and national parliaments that have provided support to the Assembly beyond their assessed contributions. This support takes many forms, including extra-budgetary funding, voluntary increases in contributions, seconded personnel, in-kind support, subsidized premises, and the hosting of statutory meetings and other Assembly activities.

Particular appreciation is extended to the Danish Parliament for hosting the OSCE PA International Secretariat headquarters in Copenhagen and for its continued support to the Bureau Meeting in Copenhagen, and to the Austrian Parliament for its support to the Vienna Office and the Winter Meeting. These in-kind contributions provide an essential foundation for the Assembly's day-to-day operations and statutory work.

The Treasurer further acknowledges the parliaments and delegations that have hosted, or are preparing to host, statutory meetings. Appreciation is extended to the Portuguese Parliament for hosting the 2025 Annual Session in Porto, the Turkish Delegation for hosting the 2025 Autumn Meeting in Istanbul and the General Council of Andorra for hosting the 2026 Autumn Meeting. The Assembly also welcomes the commitment of the United States Delegation to host the 2027 Annual Session in Charleston, South Carolina, and the offer of the National Assembly of Serbia to host the 2028 Annual Session in Belgrade.

The important support provided for regional and thematic activities also needs to be recognized. The Chamber of Deputies of Luxembourg's significant extra-budgetary support has enabled enhanced engagement in South East and Eastern Europe. Gratitude is extended to the Albanian Delegation and Albanian Parliament for hosting the first Inter-Parliamentary Forum of the South-East Europe delegations in Tirana, and to Montenegro for its support to regional and youth-related activities, including the School Dialogue initiative and the earmarked contribution of EUR 10,000 for the School Dialogue under the Ad Hoc Committee on Countering Terrorism. Gratitude is extended to the Assembly of the Republic of North

Macedonia for hosting the Fifth Inter-Parliamentary Forum of the South-East Europe Delegations in Ohrid from 26 to 28 March 2026.

The Treasurer also expresses gratitude to Germany for its support to the Leinsweiler Seminar and for seconded personnel, and to Italy for seconded personnel and support to Assembly activities, including recent activities linked to the School Dialogue initiative and parliamentary engagement in Rome and Pordenone.

Deep appreciation is also extended to Switzerland and Norway for providing supplementary extra-budgetary funding. Furthermore, the Treasurer recognises Bosnia and Herzegovina, Estonia, Iceland, Latvia, Liechtenstein, Lithuania and San Marino for their commitment to financial sustainability by voluntarily raising their national contributions to the EUR 10,000 threshold. These contributions reflect a shared sense of institutional responsibility and offer a viable path for the Assembly's long-term stability.

At present, these unrestricted top-ups and extra-budgetary funds total EUR 46,459, comprising: Switzerland (EUR 15,961), Norway (EUR 10,000), Bosnia and Herzegovina (EUR 4,534), Liechtenstein (EUR 4,534), San Marino (EUR 4,534), Estonia (EUR 1,735), Latvia (EUR 1,735), Lithuania (EUR 1,735) and Iceland (EUR 1,691). These funds are primarily earmarked for statutory activities and election observation missions unless otherwise designated for specific thematic programs.

Finally, I would like to extend my most sincere appreciation to the States General of the Netherlands for hosting the 2026 Annual Session in The Hague. The combination of these financial, operational and in-kind resources allows the Assembly to sustain a robust rhythm of political engagement despite the limitations of the core budget. Such support remains vital for hosting statutory meetings, conducting election oversight, and facilitating the specialised work of the International Secretariat, Special Representatives and Ad Hoc Committees in the service of our Members.

Host parliament support significantly offsets costs and enables the Assembly to maintain the high standard expected by delegations. I therefore encourage

10. Conclusion

interested delegations to contact the OSCE PA International Secretariat as early as possible to discuss potential hosting arrangements for future statutory meetings.
The Assembly remains politically active, visible and relevant at a time when parliamentary dialogue is needed more than ever. At the same time, it is important to take note of the challenging financial context in which the activities take place.

The proposed budget for 2026–2027 which has been presented to the Standing Committee reflects a nominal increase of 4.49 per cent. In the proposal, expenditures have been fully aligned with foreseeable income to ensure that further deficits and withdrawals from the reserves are avoided. This is a balanced approach which addresses the financial constraints facing the Assembly, while nevertheless investing in statutory activities and election observations. It represents a carefully calibrated response to challenges, aimed at safeguarding the financial stability of our organization.

Efforts are also ongoing to further strengthen financial transparency and enhance openness in the management of the Assembly's resources. As Treasurer, I remain committed to support this process and to ensure a sound and sustainable financial governance.

I look forward to your continued support and engagement in these matters. I also welcome any further guidance and comments from the Standing Committee as we move forward together.

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